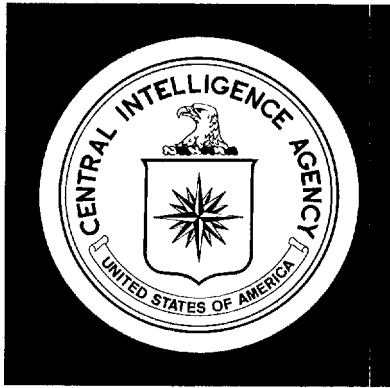


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**TUNISIA-LIBYA:** President Bourguiba, urged by advisers including Prime Minister Nourira, has moved to put off indefinitely the union with Libya he agreed to last weekend.

Nourira announced yesterday that Tunisia's constitution would have to be revised before a nationwide referendum on union with Libya could be held. This procedure will result in considerable delay. Amending the constitution, which has no provision for a referendum, requires two readings in the National Assembly at least three months apart before passage by a two-thirds majority.

The Prime Minister's announcement also brought into question the terms of the declaration of unity. Nourira flatly stated that there would be further negotiations "to determine the concept of the union and the stages of its implementation."

Nourira, who has long been opposed to closer ties with Libya, undoubtedly advised Bourguiba to go slow on the merger.

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Bourguiba's handling of the proposed merger will almost certainly weaken his prestige in Tunisia and accelerate political maneuvering by presidential hopefuls around him. This behind-the-scenes activity will be increasingly important as preparations continue for the ninth congress of the ruling Destourian Socialist Party next October, which is to be followed by national elections in November.

Qadhafi has not yet reacted to Tunisia's delaying tactics, but the Libyan radio continues to herald the union as though the merger plans were still on track.

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ALGERIA - ARAB STATES: Algeria reportedly has decided to withdraw its military units as soon as possible from Egypt, Syria, and Libya.

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Algeria may have as many as four squadrons of interceptor and ground-attack aircraft in Egypt and perhaps one fighter squadron in Syria.

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At least one Algerian fighter squadron also was deployed in Libya to supplement Libyan air defenses.

The decision to withdraw them apparently stems from President Boumediene's desire not to have Algerian military units at the front during a prolonged period of negotiation. Boumediene recognizes that Algeria will have little influence on the Arab-Israeli talks and remains annoyed that he was not consulted by Egypt or Syria on plans to start the war or to agree to a cease-fire. He probably also believes that Algerian efforts to gain the support of nonaligned nations for Arab demands is now more important than keeping forces at the front.

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KUWAIT-USSR: The Kuwaiti minister of defense stated on January 13 that his country is negotiating an arms contract with Moscow. This would be Kuwait's first arms transaction with the USSR. With the exception of a \$1-million contract for antiaircraft guns ordered from Yugoslavia in 1970, all previous purchases have been from the West.

The defense minister stated that Kuwait intends to purchase "the best and most suitable arms, irrespective of their identity."

In response to border skirmishes with Iraq last March, the Kuwaiti Parliament in early July approved a request for \$1.4 billion to strengthen the country's military capability. Negotiations with the US for a wide range of military equipment, including jet fighter aircraft, Hawk air-to-surface and TOW anti-tank missile systems, and M-60 tanks, have been under way since April 1973. Only a small contract for trucks has been concluded. The Kuwaiti interest in Soviet arms could be, at least in part, a pressure tactic to prod the US to be more forthcoming.

France has been attempting to secure a share of Kuwaiti arms contracts and is reportedly close to concluding a deal to provide Mirage F-1 interceptors. Kuwait is also interested in the French Crotale and the French-German Roland surface-to-air missile systems, as well as the French-German HOT antitank missile system.



\*EC: The EC, having agreed to a community representation at the conference of oil-consuming countries called by the US for next month in Washington, will now attempt to decide on a common position. In leaving its own attendance in doubt, France presumably hopes to win support among its community partners for a joint stance that would de-emphasize the US role in activities growing out of the conference.

At yesterday's EC Council meeting, French Foreign Minister Jobert supported the consensus that Commission President Ortolí and German Foreign Minister Scheel, in his role as Council president, would represent the community in Washington. Although Jobert said Paris still had reservations about attending, the other EC foreign ministers now expect to come.

Paris may reason that, although it has supported a community presence at the conference, the uncertainty over French participation still leaves Paris a bargaining weapon. Between now and February 4-5, when the Council will again take up energy matters, the French can lobby for their position. They want to move energy consultations with third countries to the OECD forum--or even the UN--as quickly as possible. Paris hopes to keep such talks focused on long-term goals, such as research into alternatives to oil, as a means of forestalling any international decisions that would inhibit Paris' ability to pursue bilateral deals with producing states.

The Commission has already made suggestions for a community position that attempt to assure the French that any energy action group would not appear to set the consuming countries against the producers. The Commission stresses that priority should be given

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to a dialogue with the oil producers, that the EC's position should be communicated to OPEC, and that consideration must be given to the non-producers among the developing countries. While the Commission also notes that participation in the Washington conference would not commit the EC to any specific actions, part of the French concern may be precisely that the conference would influence subsequent EC decisions.



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\*Because of the shortage of time for preparation of this item, the analytic interpretation presented here has been produced by the Central Intelligence Agency without the participation of the Defense Intelligence Agency, Department of Defense.

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SOUTH VIETNAM: The National Assembly is considering three constitutional amendments urged by President Thieu that would extend the presidential term to five years and permit Thieu to run for a third term next year, postpone the election of province chiefs until after the current presidential term, and change the method of selecting Supreme Court justices.

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[REDACTED]  
[REDACTED] His supporters now believe [REDACTED] they have the votes to get assembly approval of the amendments before the beginning of the Tet holiday on January 23. Pro-government legislative leaders probably believe they should press for a vote now while the odds are in their favor. [REDACTED]

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JAPAN - SOUTH KOREA: Relations between Tokyo and Seoul have been set back as a result of Seoul's treatment of Japanese newsmen.

Japan reportedly has expressed official regret over restrictions placed on reporting by Japanese newspapermen on the Pak government. Tokyo warned that the actions against Japanese correspondents under recent ROK emergency decrees could have diplomatic repercussions. Japanese Foreign Minister Ohira publicly commented last week that Japan's ambassador to Seoul might be recalled, "depending on further developments."

Relations between the two governments have been strained since the Kim Tae-chung kidnaping affair last summer. In part because of this incident, Japan reduced its economic aid commitments for 1974. Japan has also made several cautious moves in recent weeks to improve ties with North Korea. In December, Tokyo approved the first government-guaranteed loan to the North Korean Government and a representative was reportedly sent to North Korea last week to discuss the opening of trade offices in both countries.

These developments will contribute to some loosening of ties between Tokyo and the Pak government. Japan does not underestimate the value of its economic stake in South Korea, nor the importance of continuing good relations with the Seoul government. Tokyo, however, believes it must indicate that Pak's recent actions will make it increasingly difficult for the Tanaka government to maintain domestic support for a policy of close friendship with the South.

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**INDONESIA:** Security officials in Jakarta have imposed a dusk-to-dawn curfew following yesterday's anti-Japanese student rampage. Pillaging and burning continued into the night, however, and at midnight local time police were reportedly still trying to disperse a group of some 1,500 students that had gathered on the major thoroughfare where the Japanese Embassy and several Japanese businesses are located. The government has brought additional troops into Jakarta to help keep order and has closed schools in the city.

To avoid a major army-student confrontation, officials ordered troops to fire weapons only in self-defense. Nevertheless, at least four persons have been killed, and several others seriously wounded.

Because of spreading violence in the city, Prime Minister Tanaka's schedule was rearranged so he will not have to leave the Presidential Palace. Dissident students had been planning to mark his visit with demonstrations against Japanese economic dominance of Indonesia and alleged collusion among government officials and Japanese and local Chinese businessmen.

Much of the vandalism has occurred in Chinese commercial districts; security officials fear mass anti-Chinese rioting may develop and spread to other parts of the country. Provincial authorities report no trouble in other cities so far, but they are worried about the racial overtones of recent student activities in their areas.

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TURKEY: President Koruturk yesterday named Bulent Ecevit of the Republican People's Party (RPP) as prime minister-designate, paving the way for a coalition of Ecevit's left-of-center party with the right-wing Islam-oriented National Salvation Party (NSP). The two parties have already agreed on coalition terms and can be expected to announce a cabinet fairly soon.

An earlier attempt by Ecevit to form a coalition with the Salvation Party had failed because of inability to agree on which party would get the key Interior Ministry and because of resistance on the part of the NSP's conservative followers to some of the RPP's progressive views. In the hard bargaining that preceded the announcement of a coalition agreement last Sunday, Ecevit apparently yielded on the interior post. The NSP reportedly plans to offer the post to a retired general, who is not a party member, in order to appease the military; the military considers itself the guardian of Ataturk's modernizing reforms and has been opposed to the participation of the NSP in the government. The foreign affairs post reportedly will go to Hassan Isik, a career diplomat and RPP deputy.

The army would have preferred a coalition in which the NSP did not play a key role, and senior officers are also concerned about Ecevit's leftist tendencies. Nevertheless, the military is evidently willing to give the new government a chance. The officers will undoubtedly closely monitor the government's activities.

The new coalition has a fragile majority of only eight seats, and its decisions will be complicated by the ideological gulf between the two parties. Ecevit is untested as a national leader--particularly in foreign affairs--and will probably concentrate first on resolving domestic problems and strengthening his popular and parliamentary support. At the same time, he will be obliged to show some forward motion on his campaign promises. A

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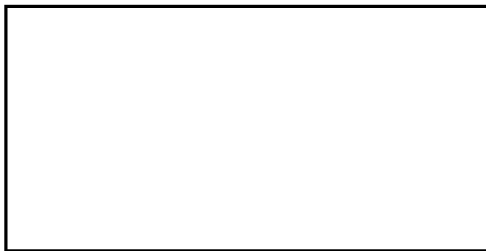
key issue will be the fulfillment of his pledge of amnesty for political crimes; the armed forces would be displeased by negation of the decisions taken by martial law courts over the past three years.

No major departure from Turkey's basic pro-Western foreign policy is expected. The RPP's election platform, however, called for a tougher, more independent approach to NATO and defense issues, reconsideration of the ban on opium poppy cultivation, and nationalization of petroleum resources. These are all issues on which the NSP and RPP can agree. Passage of legislation will be complicated, however, by the slimness of the coalition's majority and by the conservative Justice Party's majority in the Senate, which can delay legislation.

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